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# The Evolving Workspace

How shifting demographics, technology innovations, and new employee expectations are shaping the workplace of the future



“Now that we have achieved what humankind has tried to achieve since it has walked—living longer—we really don’t have a good idea of what to do with all that additional time.”

—Dr. Joe Coughlin, MIT AgeLab



- Multidisciplinary research program that works with business, government, and non-government organizations
- Seeks to understand longevity challenges and opportunities
- Invents solutions enabling people to do more throughout their lives
- Aims to improve quality of life for older people and those who care for them



**Disruptive Demographics**

**How We Work**

**New Social Contract**



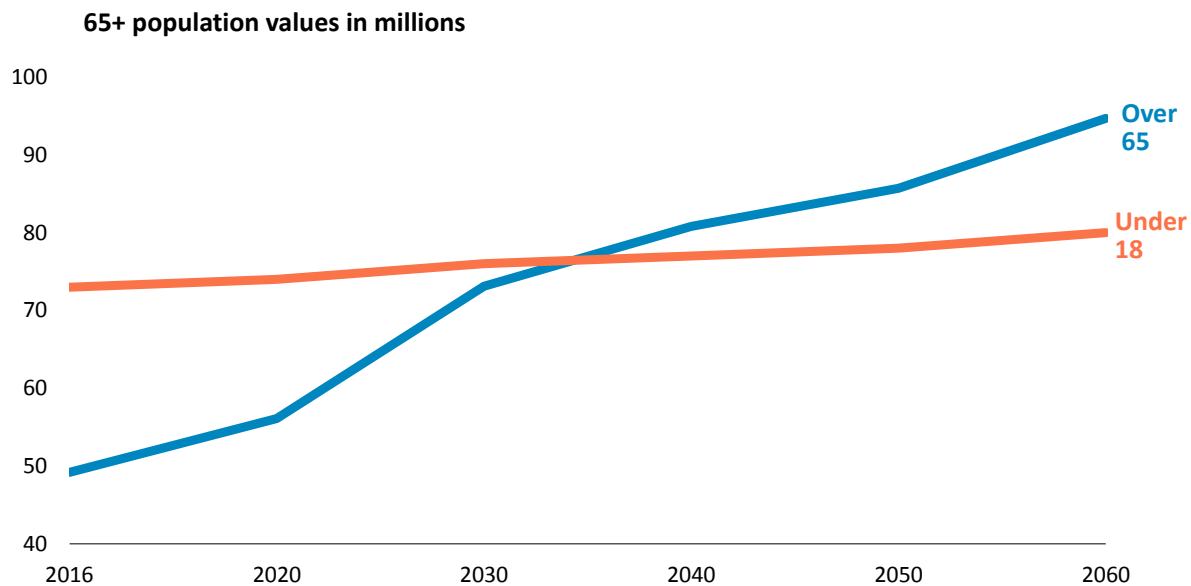




# Disruptive Demographics

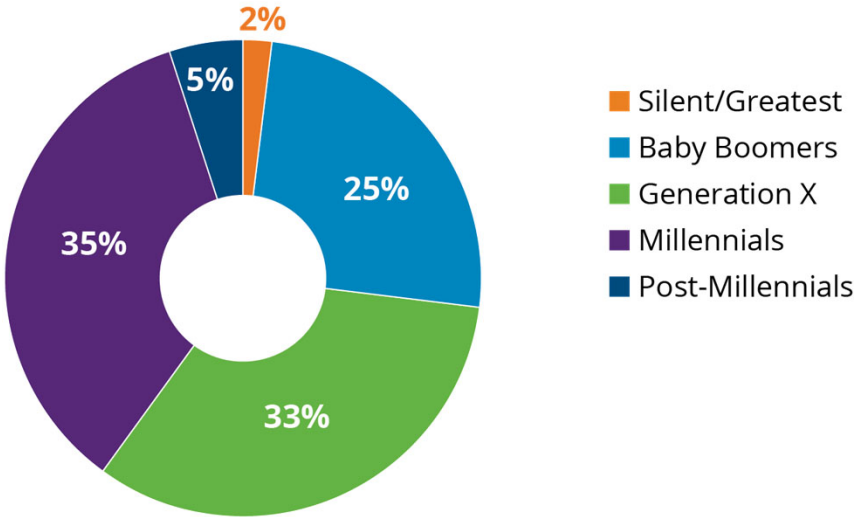
## US Population Projection by Age

America is getting grayer



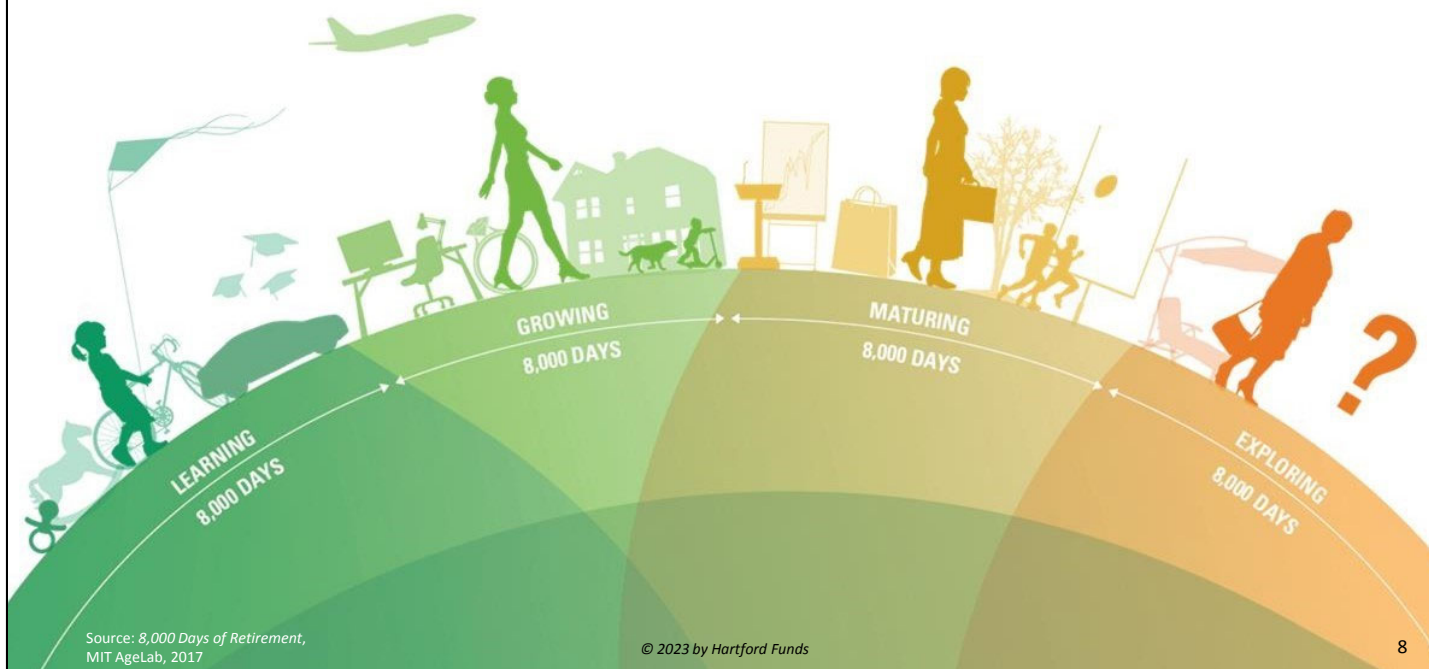
Source: Demographic Turning Points for the United States: Population Projections for 2020 to 2060, census.gov, 2/20

### Percent of Labor Force by Generation



Source: *Generational Differences in the Workplace*, purdueglobal.edu, 4/19. Most recent data available.

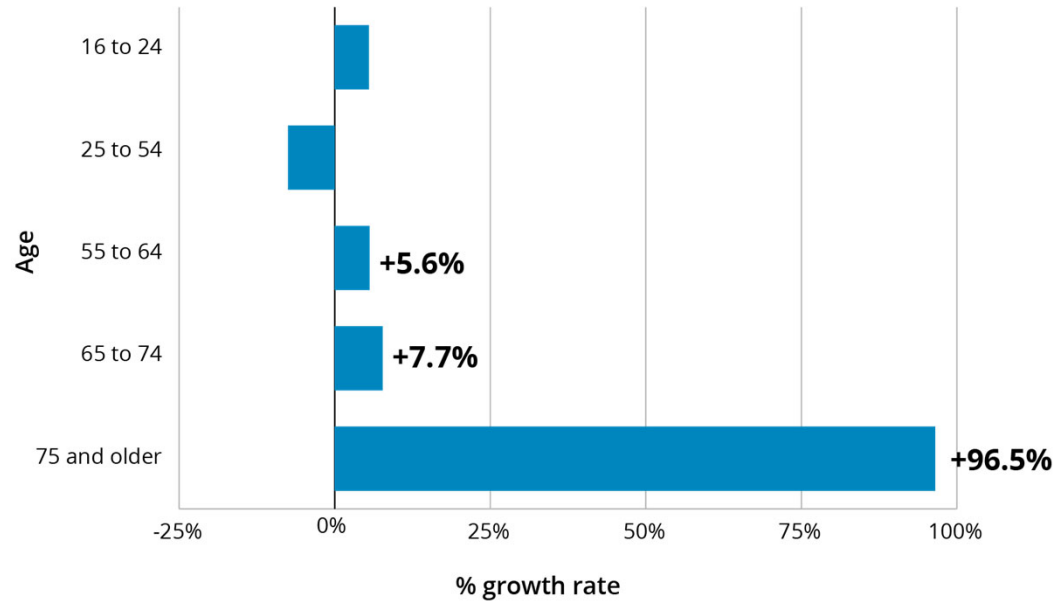
## Life in 8,000 Day Segments





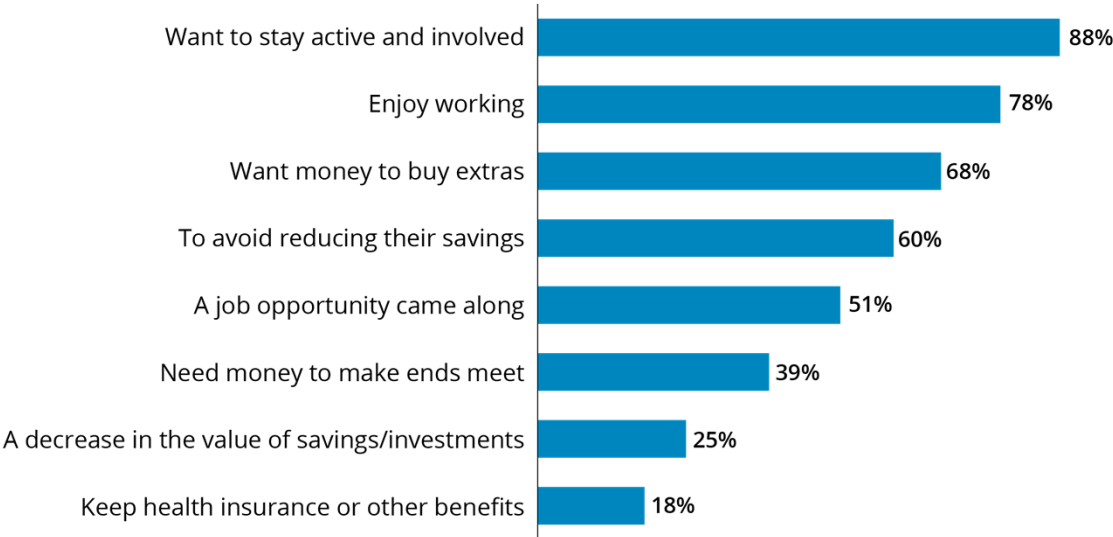
### Trending Now: An Older Labor Force

Projected growth rate in labor force by age, 2019-2030



Source: Number of people 75 and older in the labor force is expected to grow 96.5 percent by 2030, bls.gov, 11/21

### Reasons Retirees Continue Working in Retirement



Source: 2022 RCS Fact Sheet #2: Expectations About Retirement, EBRI/Greenwald Retirement Confidence Survey, 2022

## Employee Advantages of Working Longer

Non-financial benefits still have significant value



Helps avoid social isolation



Provides opportunities for learning and reasoning



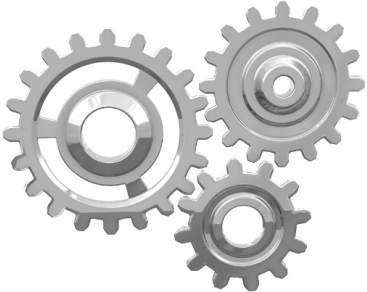
Gives life additional meaning, purpose, and structure



Provides social and community engagement

Source: *Working Longer Solves (Almost) Everything: The Correlation Between Employment, Social Engagement and Longevity*, Tim Driver and Amanda Henson, 7/20

### An Unprecedented Labor Shortage



## Job Openings Still Outnumber the Jobless

$$10.3 \div 6.1 = 1.7$$

million job openings      million unemployed      unfilled positions for every job seeker

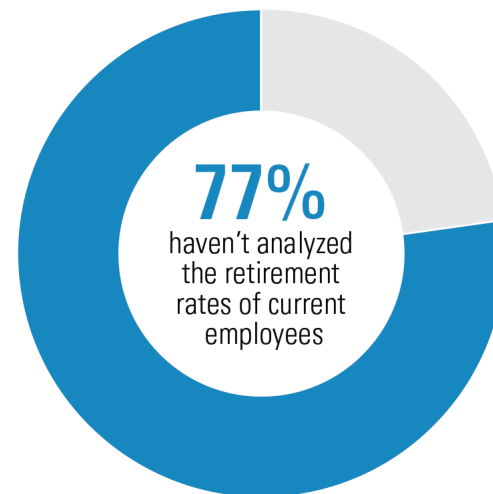
Source: U.S. Job Openings Edge Down, Still Outnumber Jobless By Far, statista.com, 12/22



## Brain Drain: Lack of a Knowledge Succession Plan

**A 2017 survey of 75 executives at midsize-to-large U.S.-based companies...**

- 78% agree losing business-critical expertise is a bigger threat than five years ago
- 62% believe retirements will result in skilled-labor shortages over the next five years



Source: *This is How Severe Boomers Have Made Company Brain Drain*, inc.com, 9/20/17.

## Baby-Boomer Brain Drain

When employees retire, “tacit knowledge” goes with them

**29 MILLION**

BOOMERS  
RETIRED IN 2020<sup>1</sup>

**81%**

SAY THEY’RE WILLING  
TO MENTOR THE  
NEXT GENERATION<sup>2</sup>

**ONLY 4%**

OF EMPLOYERS  
ENCOURAGED  
PARTICIPATION IN

**SUCCESSION  
PLANNING**

**TRAINING &**

**MENTORING<sup>2</sup>**

<sup>1</sup>The pace of Boomer retirements has accelerated in the past year, [pewresearch.org](http://pewresearch.org), 11/20

<sup>2</sup>Column: Employers are failing to stop the baby boomer brain drain, [pbs.org](http://pbs.org), 1/19

## The Uncountable Costs of Replacing Retirees

It's more than dollars and cents



### **Institutional knowledge:**

- Products and processes
- Strategy
- Relationships
- Work ethic
- Culture carriers

### **Productivity:**

- Top performers often required to train new employees
- Other staff members take on additional responsibilities

Source: What Is the True Cost of Employee Turnover to Your Business?, helioshr.com, 10/21

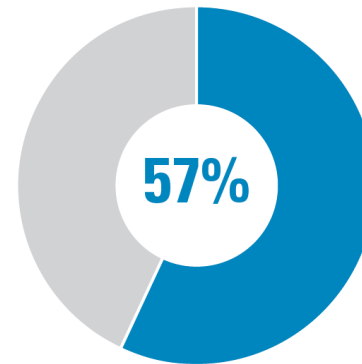
## A Knowledge Transfer Plan Is Critical

Few employers are proactively addressing the issue

### Aspects of a Job That Need to Be Shared

- What steps are involved in my process
- How what I do affects the larger process
- Who else is involved in the process
- Where potential problems might arise
- How to troubleshoot/identify issues
- Where to find information

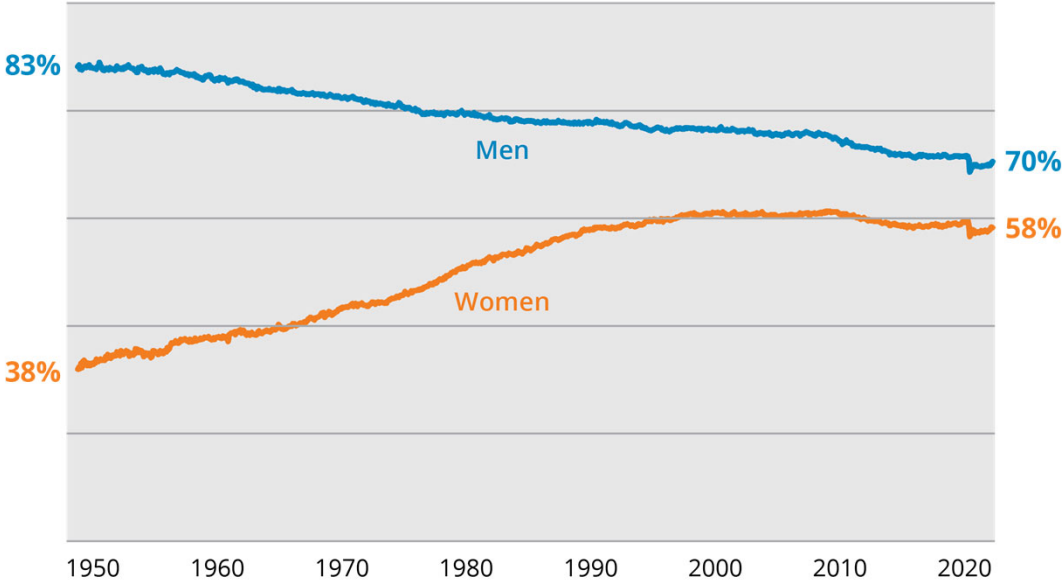
**57% of Boomers Have Shared  
Half or Less of This Knowledge**



Source: *Boomer Brain Drain: The Big Mistake Employers Are Making*, forbes.com, 1/19. Most recent data available.

### Labor Force Participation Rate Has Risen for Women, Fallen for Men

Labor force participation (%), among those 20 and older

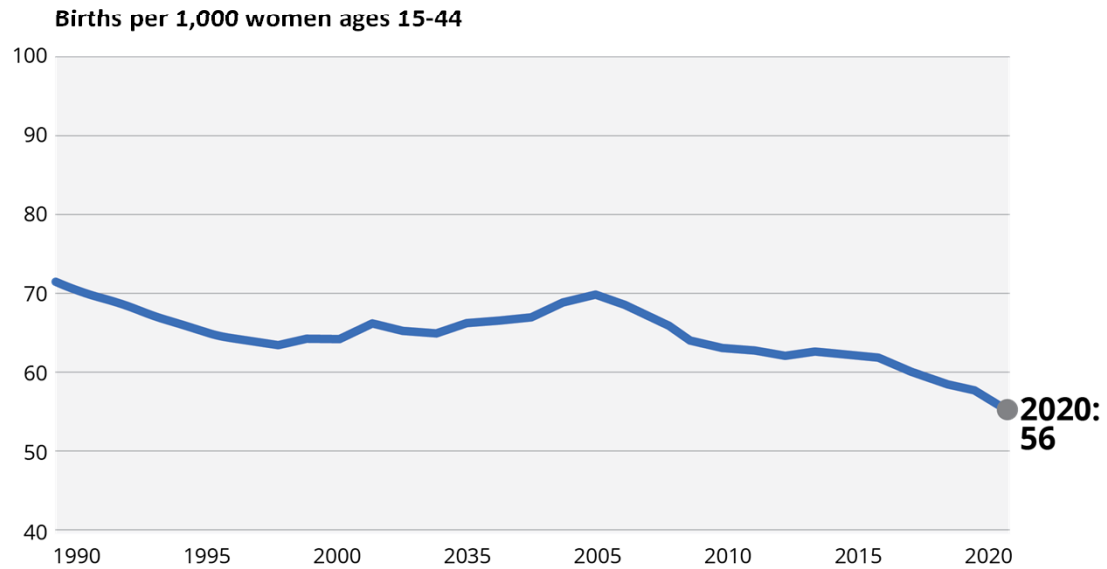


<sup>1</sup>10 charts that show how employment, education, and business ownership have changed for women over the years, businessinsider.com, 3/22



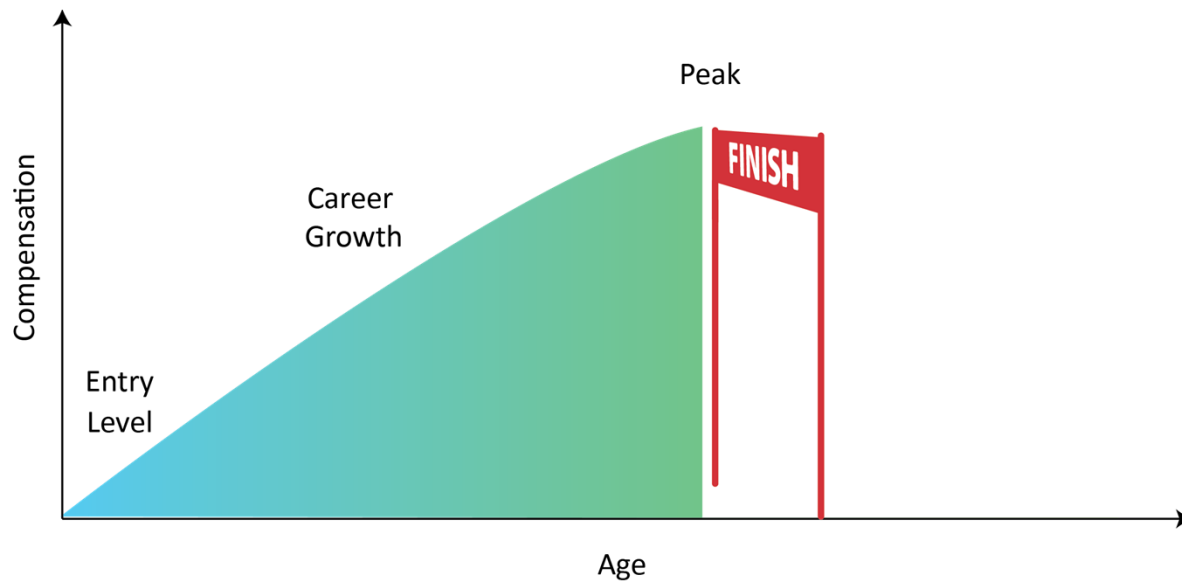
## Who's Going to Fill the Workforce Gap?

Fertility rates have hit an all-time low

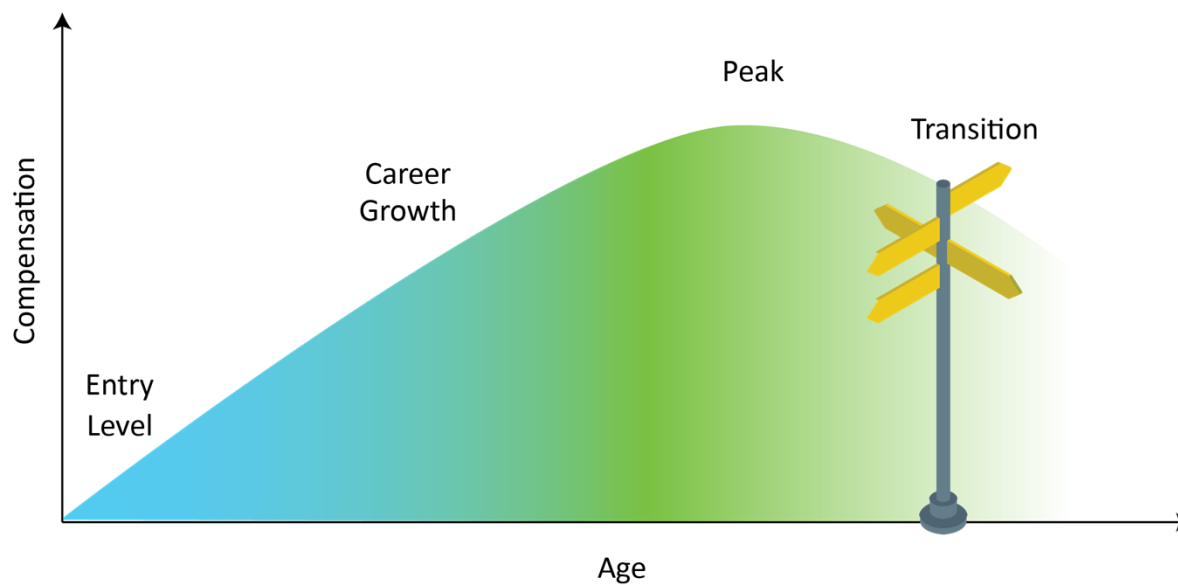


Source: The Long-Term Decline in Fertility—and What It Means for State Budgets, pewtrusts.org, 12/22

### The Traditional Career Cycle...



### ...and the New Career Cycle





# How We Work

## New Perspectives on Remote Work

The office isn't dead—but a hybrid model may have its advantages

Employees	Employers
<ul style="list-style-type: none"> <li>Allows greater work-life balance</li> </ul>	<ul style="list-style-type: none"> <li>Increases employee satisfaction</li> </ul>
<ul style="list-style-type: none"> <li>Promotes employee well-being</li> </ul>	<ul style="list-style-type: none"> <li>Reduces absenteeism</li> </ul>
<ul style="list-style-type: none"> <li>Saves employees money</li> </ul>	<ul style="list-style-type: none"> <li>Saves company money</li> </ul>
<ul style="list-style-type: none"> <li>Aren't restricted by location</li> </ul>	<ul style="list-style-type: none"> <li>Expands talent pool</li> </ul>
<ul style="list-style-type: none"> <li>Meets demand for flexibility</li> </ul>	<ul style="list-style-type: none"> <li>Makes employer more competitive</li> </ul>

Sources:

*The benefits of remote work—for both employees and managers*, [wework.com](https://www.wework.com), 5/20 and *Will working remotely change how we communicate?*, [retailwire.com](https://retailwire.com), 4/20

*The Benefits of Working From Home*, [flexjobs.com](https://flexjobs.com), retrieved 12/22



### The Gig Economy is Growing

66%

of Uber and Lyft drivers  
wanted to be independent  
contractors<sup>1</sup>

20%

of Airbnb hosts  
are over 60<sup>2</sup>

UBER



<sup>1</sup>Lyft & Uber Driver Survey 2019, The Ride Share Guy, 11/19/19

<sup>2</sup>Airbnb, 2020

What Does This Mean to You?

**“We need to get this project done.”**

## We Need to Get This Project Done

**Older Boomers:** Urgency; immediate action

**Younger Boomers:** An order

**Gen X:** An observation, not necessarily a command—nor immediate

**Gen Y:** Call for discussion and collaboration



## Wellness Is More Than Financial

**Physical**



**Financial**



**Social**



"A person has to have a reason to get up in the morning."

For some that means continuing to work full- or part-time, while others believe that volunteering for a cause they care about brings joy and meaning.

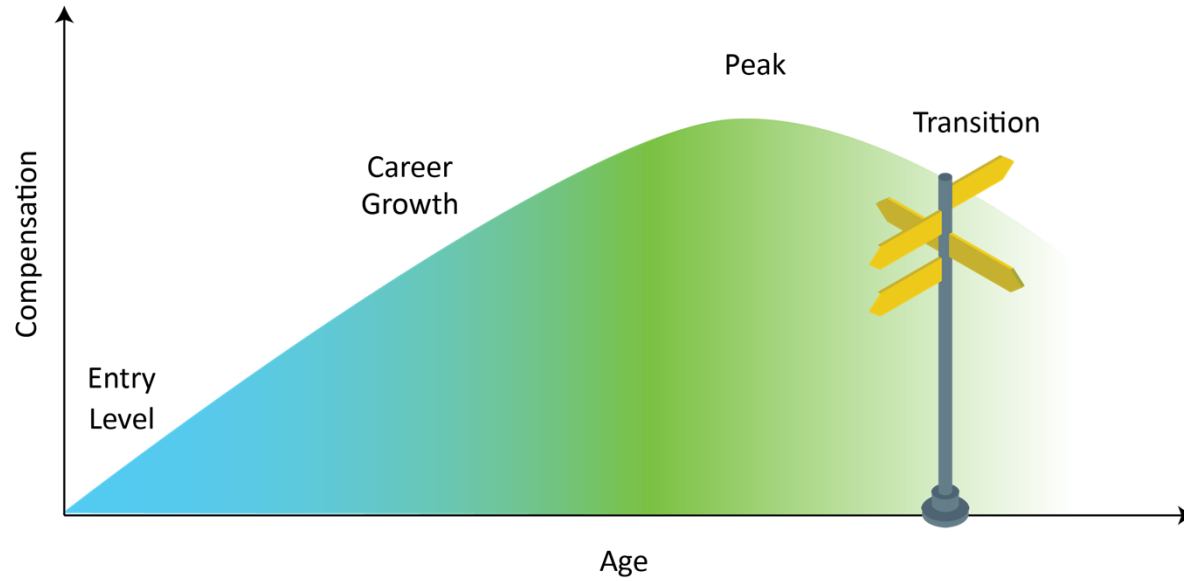
—The Cardinal & Gray Society





**A New  
Social Contract**

## Compensation Packages: One Size Does Not Fit All



Employers

### Personalized Benefits Packages

A menu of benefits that reflect different ages and lifestyles



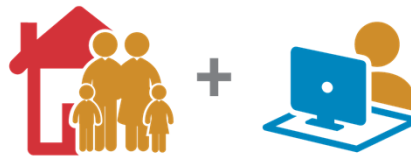
**93%** of employees say the ability to customize their benefits is a must- or nice-to-have option

**72%** say it would increase their loyalty to their current employer

Source: MetLife's 17th Annual U.S. Employee Benefit Trends Study 2019, metlife.com



## Flexibility Is a Must-Have For Today's Job Applicant



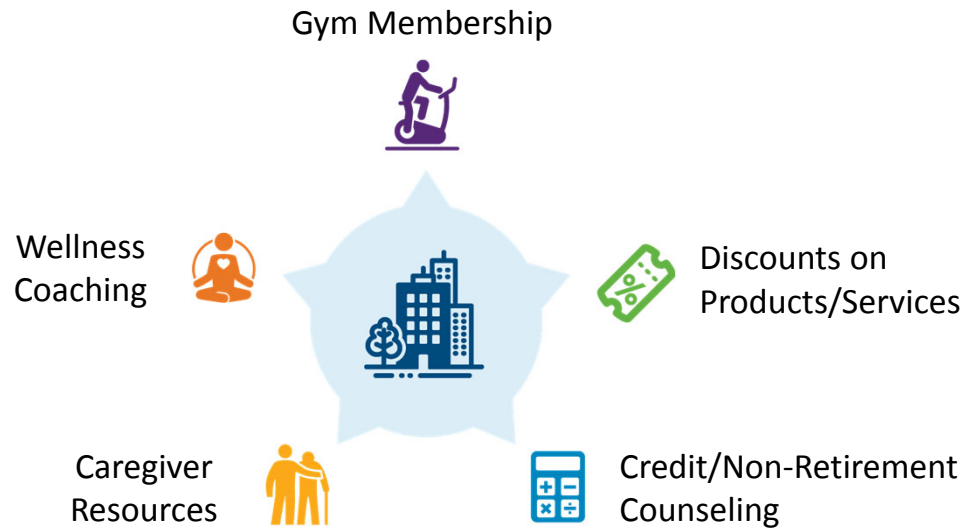
**55%** want a flexible work schedule and the ability to work remotely

**51%** want an employer who recognizes the importance of employees' lives outside of work

**Employers**

**Serve as a Solutions Hub**

Be a connector and facilitator of services



**Employers**

**Flex Time and Flexible Work**

New policies may be necessary to keep valuable employees

- Working remotely
- Part-time work
- Job sharing
- Position redesign
- Phased retirement

**ONLY  
6%** of employers offer phased retirement programs

Source: Executive Summary, SHRM Employee Benefits 2019. Most recent data available.

Employers

### Brain Gain vs. Brain Drain

Create a culture that values continuous learning

- Sharing knowledge and expertise
- Reverse-mentoring
- Coaching by senior employees
- Rotational assignments
- Intergenerational collaboration



**7** OUT OF **10**

workers say they like working with generations other than their own

Source: *Mentorship and the Value of a Multigenerational Workforce*, aarp.org, 1/19. Most recent data available.

## Multiple Jobs and Careers

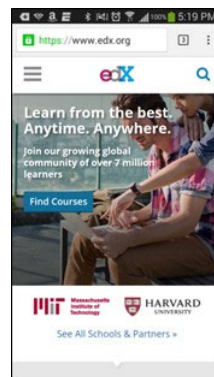
Maintaining longevity and resilience in the workplace



## School Is Never Out

### MOOCs

(Massive Open Online Courses)



- Coursera
- EdX
- Khan Academy
- One Day University
- Udacity

### Additional Ways to Learn and Build Skills

- YouTube
- Podcasts
- MITx MicroMasters
- TedTalks
- Osher Lifelong Learning Institute
- LinkedIn Learning

## Transition Planning vs. Retirement Planning



## **Disruptive Demographics**

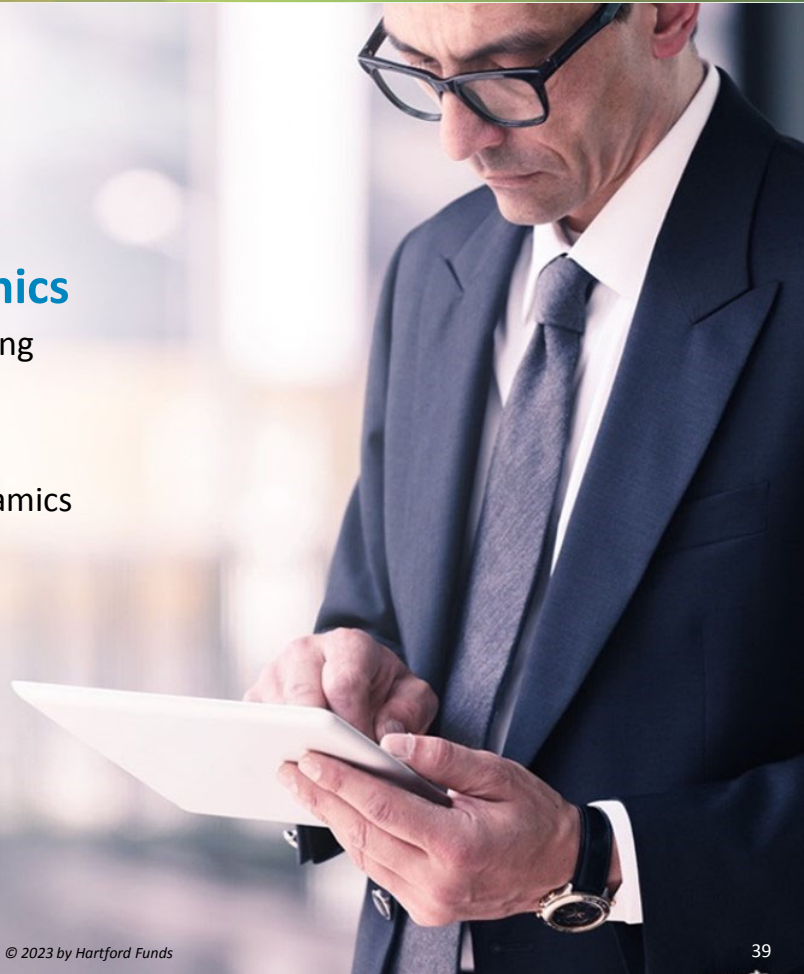
The workforce makeup is changing

## **How We Work**

New workforce culture and dynamics

## **New Social Contract**

Flexibility is key

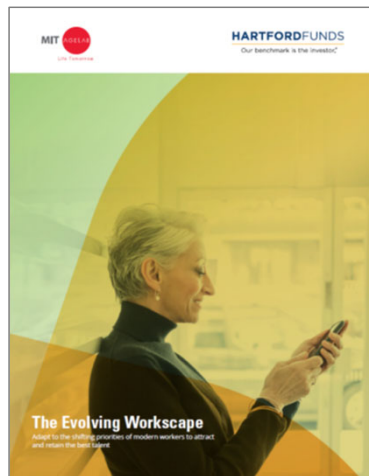






“...by having the insights, it’s not just going to be a better place to work that fosters wellbeing and community, it’ll be a more productive workplace and, therefore, a more *profitable* workplace.”

—Dr. Joe Coughlin, MIT AgeLab



## Next Steps

1. Evaluate your organization's retirement transition process
2. Download our corresponding plan sponsor workbook at [hartfordfunds.com](https://hartfordfunds.com)
3. See pages 3-4 of the workbook for strategies that promote learning and help avoid brain drain

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